

Testimony
of
THE UNITED ILLUMINATING COMPANY
before the
ENERGY AND TECHNOLOGY COMMITTEE

Re:
RAISED SENATE BILL No. 460
AN ACT CONCERNING LOW INCOME ENERGY RATES

LEGISLATIVE OFFICE BUILDING

HARTFORD, CT

March 16, 2010

Good afternoon, Senator Fonfara, Representative Nardello, and members of the Energy and Technology Committee. My name is Laura Gonzalez. I am the Director of Collections at The United Illuminating Company ("UI"). I am here today to offer UI's comments regarding **Raised Senate Bill 460 – An Act Concerning Low-Income Energy Rates.**

The United Illuminating Company (UI), an electric distribution company with general offices in New Haven, CT respectfully submits these comments in support of **Raised Senate Bill 460**. However, UI suggests some modifications to the raised bill to further enhance its effectiveness in assisting low-income customers.

UI suggests that any customer who receives service under this discounted rate be required to keep their electric bill less than 90 days past due and participate in applicable conservation and load management programs offered by the utility. This supports customer engagement in managing their energy cost and avoiding the consequences of a delinquent balance such as late payment charge and reporting of delinquency to credit reporting agencies. The customers' participation in applicable conservation and load management programs also supports the state energy policy goals and enables participating customers to reduce their consumption, which, in turn, will reduce the discount amount to be supported by all other customers.

UI agrees that the determination of a low-income rate must be handled through the regulatory process. This will help explore the benefits of a low-income rate as well as the impact that this rate would have on all other rate payers. This proceeding will enable the Department and utilities to fairly evaluate such a rate and the provisions

included in this legislation, such as the determination of a means tested requirement, a conservation component, outreach, the modification of existing low-income programs and a cost benefit analysis. UI is in full support of a regulatory proceeding but would also request that it be a contested proceeding. This process will ensure that the necessary cost recovery mechanism is established through the Systems Benefits Charge and that the associated costs borne by other rate payers are kept to a minimum. UI also recommends that the low-income rate replaces the state mandated Arrearage Forgiveness Matching Payment Program and UI's Matching Payment Plan (MaPP). In order that other customers not shoulder a disproportionate burden, as a condition of maintaining eligibility for this discounted rate, UI would also request that a customer should be required to make monthly payments and/or honor agreed upon payment arrangements in addition to our earlier suggestion regarding the maximum delinquency period. This support is also reflected in our testimony to **Raised Section 1 of House Bill 5505 - An Act Concerning Electric Rate Relief.**

Thank you for the opportunity to appear before you today. I am happy to address any questions you may have.